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SBP limits cash dollar transactions

- Makes account-to-account transfer mandatory for dollar deposits
- Individuals no longer allowed to buy cash dollars from open market

By Shahid Iqbal

KARACHI: The State Bank of Pakistan (SBP) has decided to limit cash dollar transactions and instructed banks to transfer dollars directly into the accounts of the purchasers. Exchange companies, however, said the decision will not affect the purchase of dollars for travel or other purposes.

The SBP issued a circular with amended instructions related to foreign currency transactions for individuals. "In order to promote cashless economy, it has been decided that, henceforth, all FCY (foreign currency) sale transactions to resident citizens of Pakistan for the purpose of deposit into FCY account will be executed through account-to-account transfer," the SBP circular stated.

Exchange companies explained that the move means individuals buying dollars for deposits will no longer receive cash; instead, the amount will be transferred directly to their accounts. Those without foreign currency accounts will not be able to buy cash dollars.

"If you buy dollars from an exchange company for deposit in an FCY account, the company will issue a cheque of that amount, which will be deposited in the FCY account of the bank," said the owner of an exchange company.

If a buyer receives a cheque from an exchange company, it will take at least five days for clearance when deposited into the FCY account. However, if the buyer has an FCY account in the same bank as the exchange company, the dollars will be transferred immediately.

There are restrictions for individual buyers: they cannot purchase more than $500 without providing the purpose, biometric verification and supporting documents. Travelers, students and individuals going for Haj or Umrah must provide complete documentation to buy over $500.

"Now, an exchange company cannot sell even $500 cash to any individual without stating the purpose," said an exchange company representative.

Independent exchange companies said the circular will benefit bank-owned exchange companies, as the SBP has been encouraging banks to open their own outlets. The new rules will help banks' exchange companies attract more customers.

Currency experts said individuals buying euros or pounds will face longer delays. Any euro or pound purchased from an exchange company will be issued via cheque, which will take 20-25 days to clear if deposited in the buyer's FCY account.

"Even if you buy foreign currency from a bank's exchange company, but your FCY account is in another bank, the transaction will take at least five days," a currency expert said.

Money changers said the SBP circular prevents them from holding cash dollars in banks' accounts, meaning they will have to sell directly in the banking market. "We could perform the same transactions as banks' exchange companies, if we were allowed to hold dollars in our bank accounts," said another money changer.

Deadline set for resolving economic corridor dispute

ISLAMABAD: The Dispute Resolution Service (DRS) of the World Bank has fixed May 26, 2026, as the final deadline for the resolution of the dispute of the Khyber Pass Economic Corridor project.

The parties to the conflict, the complainants and the government, signed on Thursday (Nov 13) an interim agreement that addressed the eligible issues in the case, and requested the DRS to continue with the mediation.

Following which, DRS Head Orsolya Szekely informed the WB's executive board, the Inspection Panel and the bank management that "at the request of both parties, and recognising the parties' commitment and progress so far", the dispute resolution process has been extended for an additional period of up to six months, with a final deadline of May 14, 2026.

"Should the parties sign a further agreement addressing further eligible issues, they agreed that the terms of the interim agreement signed on Nov 13 will be incorporated within the final Dispute Resolution Agreement. Should this not happen, the parties agreed that the interim agreement will be deemed the 'Dispute Resolution Agreement', partially addressing the eligible issues in the case, according to the notice of Extension-Dispute Resolution signed by the head of the dispute resolution service of the World Bank. — Amin Ahmed

CDWP clears seven projects worth Rs34.6bn

Refers another two schemes, costing Rs44.62bn, to Ecnec

By Mubarak Zeb Khan

ISLAMABAD: The Central Development Working Party (CDWP) on Saturday approved seven development projects worth Rs34.66 billion and referred two major projects totalling Rs44.62bn to the Executive Committee of the National Economic Council (Ecnec) for final approval.

Planning and Development Minister Ahsan Iqbal chaired the meeting. It was attended by Secretary for Planning, Awais Manzur Sumra, and senior representatives from relevant federal ministries and provincial governments.

The approved and recommended projects span key sectors, including education and training, governance, health, higher education, information technology, physical planning and housing, power, transport and communications, and water resources.

An official announcement issued after the meeting said the CDWP approved the revised Phase-II project for the University of Turbat worth Rs1.93bn, covering new academic and student hostels, a new academic block, IT systems, lab and office equipment, and support facilities to establish a modern, fully equipped campus.

A revised project in the Information Technology sector, namely "Automation of Post Office," for Rs6.644bn, was approved outside the PSDP funding through the Export-Import Bank of Korea (KExim). The project aims to digitally transform Pakistan Post by automating 2,761 post offices across the country, strengthening financial services and modernising end-to-end postal operations.

The organisation's lack of digital transformation led to a 65pc loss of revenue to competitors who fully embraced digital systems in line with modern market demands.

The CDWP has approved two major development initiatives aimed at boosting education and governance capacity. Among the approved projects is the establishment of Daanish School in Chitral, Khyber Pakhtunkhwa, with an estimated cost of Rs3.319bn.

In the governance sector, the CDWP endorsed the enhancement of the capacity of federal government entities in preparation for policy, programmes, and projects (Umbrella Programme), a comprehensive initiative valued at Rs5.43 billion, which was approved. This is aimed at strengthening institutional effectiveness and strategic planning across federal departments.

The CDWP also approved a revised health sector project titled Establishment of Stroke Intervention & Expansion of Critical Care/Cardiac Facilities at PIMS," with an estimated cost of Rs7.22 billion, aimed at enhancing specialised medical services at the premier healthcare facility.

In the Physical Planning and Housing sector, the CDWP approved the revised project titled Project Readiness Financing for Punjab Provincial Projects under the Punjab Intermediate Cities Improvement Investment Program, with an estimated cost of Rs4.83bn.

Additionally, the meeting approved Rs5.274bn for a major revised Power sector project titled "Rehabilitation of Khyber I, II & III and Nagar Khas I & II Hydropower Stations, E&M Equipment for Chalt, Energy Efficiency and Gender Component (Development of Hydropower and Renewable Energy III — KfW Grant Programme).

A revised project related to theTransport&Communications sector was presented at the meeting, namely the Construction of Link Highway (4-lane) connecting the Lahore-Sialkot Motorway at Umerkot to Narang Mandi, including the Narowal Eastern Bypass, worth Rs28.964bn, and was recommended to Ecnec for further consideration.

A revised project namely "Pehur High Level Canal Extension Project worth Rs15.654bn, recommended to Ecnec for further consideration.

Gold loses shine on global downturn

By Our Staff Reporter

KARACHI: The prices of 10-gram and one-tola (24 karat) gold dropped by Rs7,799 and Rs9,100, respectively, reaching Rs369,223 and Rs430,662 due to a significant decline in global prices.

According to the All Pakistan Sarafa Gems and Jewellers Association (APSGJA), based on interbank exchange rates, the world gold rates had dropped by $91 to $4,083 per ounce.

As per Reuters, gold prices fell 3pc on Friday amid a broader market selloff sparked by hawkish remarks from US Federal Reserve officials, which have dimmed hopes for a December rate cut.

All Pakistan Jewellery Manufacturers Association (APJMA) Chairman Mohammad Arshad said that wild fluctuations in domestic rates this month have created uncertainty among local investors seeking stability in rates.

GOLD hit a record peak above Rs456,000 per tola on Oct 18.—AFP/file

On the other hand, one-tola selling well above Rs400,000 is still out of reach for many consumers, whose purchasing power has already been squeezed by rising prices of various food items and high power and gas bills.

"I think silver is going to replace gold in future as it attracts low and upper middle income groups currently instead of big investors," he said.

US expert submits 5G auction report to govt

Court strike delays Spectrum Advisory Committee's meeting

By Kalbe Ali

ISLAMABAD: The consultant for the 5G spectrum auction has presented its report to the government, but the Spectrum Advisory Committee (SAC) could not meet on Saturday due to the courts' pen-down strike. However, the Ministry of Information Technology and Telecom is confident that it can meet the Feb 15 deadline set by Prime Minister Shehbaz Sharif for the auction.

The key hurdle in the way of the auction process is litigation over the 2600MHz band. A decision by the Sindh High Court, expected on Saturday, was delayed due to the lawyers' strike. A senior IT ministry official said the judgement is now expected sometime next week.

The consultant's report had already been delayed for two main reasons: the pending court ruling and the ongoing merger of Telenor Pakistan with PTCL. With approval from the Competition Commission of Pakistan (CCP), only three operators are in the mobile telecom market.

The US-based consultancy firm National Economic Research Associates Inc. (NERA) submitted its final report on the auction framework to the SAC during a meeting on Friday. It was chaired by Finance Minister Muhammad Aurangzeb and attended by the Pakistan Telecommunications Authority (PTA) chairman, the executive director of the Frequency Allocation Board, and representatives from the GHQ and ISI.

Acknowledging delays in the auction process, NERA provided multiple modules for rolling out 5G services. Its report outlines key policy recommendations, including auction design, methodology, base price, duration and other terms and conditions. It offers two main options: raising the base price to generate higher upfront revenue, or keeping a lower base price to give telecom operators financial space to invest quickly in infrastructure and improve services.

Official sources said the report highlighted the high taxation burden on the sector, noting that telecom taxes stand at 37 per cent and that Rs37 billion is generated annually for every Rs100bn increase in industry revenue. The industry's revenue stood at Rs800bn in the last fiscal year and is expected to grow once more spectrum becomes available. "The average consumption in Pakistan is 6GB per user per month, but demand is already projected to reach 9GB. Pakistan is a spectrum-starved country," a PTA official said.

The NERA report notes that Pakistan is offering 606MHz of new spectrum across six major bands: 700MHz, 1800MHz, 2100MHz, 2300MHz, 2600MHz and 3500MHz. The 2600MHz band is considered the most suitable for 5G, and about 190MHz is likely to be offered from this band.

Some investors have placed the 2600MHz band under litigation, and the government expects the court decision soon. "Soon after the court decision, and if the spectrum is cleared from litigation, the SAC will hold internal discussions and forward the final plan to the Economic Coordination Committee (ECC). From there it will go to the federal cabinet," an IT ministry official said. After cabinet approval, the IT ministry will issue the policy directive for the spectrum auction.

PM calls for ending tax evasion from key sectors

ISLAMABAD: Prime Minister Shehbaz Sharif has instructed officials to eliminate tax evasion in a phased approach, targeting the tobacco, tiles, and other sectors.

During a weekly review of tax reform implementation at the Federal Board of Revenue (FBR) held on Saturday, the premier emphasised the need for administrative and institutional measures to combat tax evasion. He was also briefed on the results of the first phase of tariff reforms.

An official announcement issued by the prime minister's secretariat said that the premier has urged accelerating the pace of effective implementation of reforms so that Pakistan can get rid of economic problems and achieve the goals of sustainable development.

PM Shehbaz congratulated the entire team, including FBR and Finance, for the successful implementation of the reform measures so far.

The premier emphasised accelerating the implementation of tax reforms to put the country on the path of economic stability and achieve the Sustainable Development Goals.— Staff Reporter

Centre yet to fulfil Karachi's Rs100bn pledge: minister

Abad says investors shifting to Dubai, Lahore amid persistent delays

By Our Staff Reporter

KARACHI: Sindh Minister for Local Government Syed Nasir Hussain Shah has said the federal government has only tried to appease Karachi by offering a Bus Rapid Transit (BRT) project and has yet to honour its promise of allocating Rs100 billion for the city despite its 70 per cent contribution to the country's economy.

However, he assured builders that Karachi's infrastructure would be "significantly improved very soon".

Addressing members of the Association of Builders and Developers (Abad) at Abad House on Saturday, Mr Shah said that if the association submitted a draft for low-cost housing schemes, the Sindh government would "fully cooperate".

The 27th Constitutional Amendment, he claimed, had been drafted "for the benefit of Karachi's residents".

Creating new provinces, he added, was "extremely difficult". Sindh was already struggling to meet the expenses of its existing provincial machinery and, in such circumstances, it was not possible to form new assemblies, new courts or new infrastructure, he said.

According to an Abad press release, the minister said Sindh's local government system was better than those of other provinces and that the government was fully aware of the issues facing the construction sector.

"Approvals that are pending will be issued immediately. We want the public to receive affordable housing schemes on time," he said.

He admitted that several departments, including the Sindh Building Control Authority (SBCA), required significant improvement and said officers who had been "unjustly harassing" builders had been removed from their positions. "Illegal construction must be stopped, but legitimate work should not be hindered," he added.

"We do not want builders to leave the country," he said, assuring developers that the government, in collaboration with the private sector, would take measures to create jobs, enhance housing availability and improve the construction economy.

Abad Chairman Muhammad Hassan Bakshi told the gathering that a Memorandum of Understanding (MoU) had been signed between the Saudi government and Abad under which Saudi Arabia would invest $500 million in Karachi's construction sector. He urged that land records and project approvals be digitised.

He said institutional hurdles in Karachi had reached "an extreme level", pushing the construction industry into crisis. Delays had become routine, from the transfer of commercial plots to the resolution of various legal issues, he added.

"Even after issuance of notifications by municipal bodies, implementation does not take place, and the industry cannot function this way," he said.

"Abad members are now reluctant to invest in Karachi, and many have shifted their investments to Dubai and Lahore," Mr Bakshi said.

Mood lifts at PSX after three weeks of losses

KSE index stages a sharp recovery on political clarity, IMF announcement

By Muhammad Kashif

KARACHI: After three consecutive weekly losses, the Pakistan Stock Exchange (PSX) clawed its way back into positive territory, buoyed by political clarity and renewed investor confidence, despite the deteriorating law-and-order situation.

The market opened the week on a positive note. However, two terrorist attacks in Islamabad and Wana the next day shattered investors' confidence on Tuesday, which triggered panic-selling, inflicting a staggering loss of 3,667.90 points or 2.27 per cent, which dragged the index below 158,000 points. However, in the subsequent session, investors indulged in value hunting as bulls staged a mild recovery in the last two sessions; the market witnessed a massive recovery, pushing the index above the 161,000-point barrier.

The passage of the much-watched 27th Constitutional Amendment and confirmation that the International Monetary Fund's (IMF) Executive Board will meet next month to approve a $1.2 billion disbursement helped steady nerves and spark buying across key sectors.

Pakistan and the IMF reached a Staff-Level Agreement on Oct 14 for the second review of the $7bn Extended Fund Facility (EFF) and the first review of the $1.2bn Resilience and Sustainability Facility (RSF). The board is expected to authorise $1bn under the EFF and $200m under the RSF on Dec 8, with inflows likely to land the following day.

Topline Securities said the benchmark KSE-100 index gained 1.26pc week-on-week, primarily driven by the return of mutual fund buying. Average daily volumes rose to 767 million shares, while traded value totalled Rs35.4bn.

Corporate and macro data also assisted the mood. Pakistan Automotive Manufacturers Association (PAMA) reported October car sales at 17,333 units — up 32pc year-on-year and 1pc month-on-month — taking total sales in 4MFY26 to 59,600 units, a hefty 46pc annual rise. In the week's T-bill auction, the government raised Rs478bn against a target of Rs550bn, with yields holding broadly steady.

Arif Habib Ltd (AHL) noted that the market's upward run continued despite regional tensions, driven by sector-specific triggers. Fertiliser stocks surged after reports that the Economic Coordination Committee had approved shifting plants from pricey RLNG to Mari's indigenous gas, a move expected to ease subsidy strain and stabilise urea prices. Cement shares rallied as investors bet on fresh merger-and-acquisition prospects.

As a result, the benchmark KSE 100 index closed the week at 161,935.19 points, up 2,342.29 points.

In a separate T-bill auction, total participation surged to Rs1,621.7bn, with the government raising Rs492.9bn. Yields eased slightly on shorter tenors: the one-month and three-month maturities slipped 1.2bps and 0.6bps respectively, while the 6-month inched up 0.1bps and the 12-month remained unchanged.

Roshan Digital Account (RDA) inflows reached $11.313bn by the end of October. Of the total, $1.903bn has been repatriated and $7.263bn utilised locally, leaving net repatriable liabilities at $2.148bn.

The broader energy landscape also showed movement. Net-metering's share in total generation rose 57bps year-on-year in September, underscoring continued solar adoption and reduced reliance on the national grid.

On the external front, the State Bank of Pakistan's foreign exchange reserves edged up by $21.8m to $14.5bn. The rupee held firm, closing at Rs280.723 against the dollar.

AHL said key data releases, including current account and FDI numbers, would guide market direction in the coming week. Any easing of geopolitical tensions could act as a major catalyst.

The brokerage noted the KSE-100 is trading at a price-to-earnings ratio of 8.18x versus its 15-year average of 8.59x, with an estimated dividend yield of about 6pc — broadly in line with historical norms.

AKD Securities added that the approval of the 27th Amendment by both houses effectively calmed political uncertainty, injecting 3,751 points into the index over the last two trading sessions alone. This optimism offset early-week jitters triggered by tensions with Afghanistan, where peace talks ended without resolution and Kabul announced it would suspend trade with and through Pakistan.

Macroeconomic indicators also lent support. Workers' remittances rose 12pc year-on-year to $3.4bn in October, while RDA inflows for the month stood at $250m, up 4.6pc month-on-month.AKD expects the bullish momentum to carry into next week, backed by anticipation of IMF Board approval, minimal flood impact, improved credit ratings and easing global yields.

These factors, the brokerage said, should shore up investor sentiment and potentially draw fresh foreign portfolio and direct investment.